

# Internal Control Questionnaire

RETIREMENT SYSTEM

RESPONDENT

EXAMINER

YEARS COVERED

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## Instructions

Please answer the following questions by checking either Y(yes) or N(no), or providing a brief response when requested.

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### General Administration

1. Has the Board designated a Custodian of the Records to maintain custody and control over all records and take all reasonable precautions to protect the records from fire, theft, etc? Y ☐ N ☐
2. Has the custodian informed the Retirement Board Members and employees about standard rules for disclosure of information? Y ☐ N ☐
3. Does the system maintain its files in a secure location? Y ☐ N ☐
4. Has the custodian developed and implemented an approved plan for the expungement of obsolete records? (Disposition Schedule) Y ☐ N ☐
5. Has the retirement system submitted all rules under which it operates to the Commission for approval? Y ☐ N ☐
6. Has the system notified PERAC in a timely fashion about changes in the Board and its staffing? Y ☐ N ☐
7. Does the number of employees appear to be sufficient to perform all of the duties necessary to operate the retirement system? Do the current employees appear to be technically competent? Y ☐ N ☐
8. Is sufficient space provided for the system's records as well as its counseling activities? Y ☐ N ☐
9. Does the system have a current copy of G.L., c. 32 and the most recent pocket part? Is it accessible to Board Members and employees? Y ☐ N ☐
10. Are PERAC's Rules and Regulations available in a complete form to Board Members and employees? Y ☐ N ☐
11. Are PERAC's Bulletins and Memoranda available in a complete form to Board Members and employees? Y ☐ N ☐

12. Does the system have PERAC's approval not to submit retirement calculations as a result of calculation software used? Y ☐ N ☐
13. Does the system retain copies of the confirmation forms from PERAC's Actuarial Staff for the approval of all retirement allowances? Y ☐ N ☐
14. Does the system, semi-annually, require schools to submit an affidavit for dependent children over the age of eighteen? Y ☐ N ☐
- 14.1 Does the system require spouses who are subject to benefit reduction due to re-marriage, submit an affidavit that they have not remarried? Y ☐ N ☐
- 14.2 Does the Board promptly stop or reduce benefits for those who have not complied with the above? Y ☐ N ☐
15. Upon receipt of notice from PERAC, has the system certified to the appropriating authority, the amounts to be paid for the fiscal year for the Pension Fund, and Military Service Fund? Y ☐ N ☐
- 15.1 Has the governmental unit(s) included the amounts so certified in its appropriation? Y ☐ N ☐
- 15.2 If monies have not been appropriated, has the Board attempted to recover such monies in an action of contract? Y ☐ N ☐
- 15.3 Does the governmental unit's published budget reflect such amounts? Y ☐ N ☐
- 15.4 Does the assessor's annual rate make-up report include such budget pension items? Y ☐ N ☐
16. Do non-county systems receive their entire appropriation on the dates stated in the funding schedule? Y ☐ N ☐
17. Do county systems receive their appropriations in equal payments on July 1st and January 1st of each fiscal year? Y ☐ N ☐
18. Do retirement system personnel spot check the payroll records of the governmental units covered by the system to verify that employees who are not subject to retirement withholding are not entitled to be members of the system? Y ☐ N ☐
19. Are service buy-backs calculated using PERAC's worksheet? Y ☐ N ☐
20. Does the Board require a DD 214 for verification of veteran's status? Y ☐ N ☐
21. Has the system sought to collect the prorated portion of any retirement

allowance attributed to service with another retirement system from the treasurer of that system?

Y ☐ N ☐

22. When it is impossible or impracticable to consult an original record to determine the date of birth, length of service, etc., does the system seek PERAC approval of estimates?

Y ☐ N ☐

23. Has the Board submitted the actuarial data requested by PERAC in a timely fashion, enabling the completion of an actuarial evaluation?

Y ☐ N ☐

23.I What was the date of PERAC's last actuarial valuation? Date: \_\_\_\_\_

24. Does the system submit an update of active and retired members' data to PERAC each March 31st?

Y ☐ N ☐

25. Who is responsible for verifying that the information submitted is accurate? Name: \_\_\_\_\_

Y ☐ N ☐

25.I Does the system reference PERAC's Guides to Active and Retiree Data when inputting membership data?

Y ☐ N ☐

26. Does the system clean up its actuarial data in accordance with PERAC's instructions?

Y ☐ N ☐

27. Does the Board maintain copies of PERAC's Actuarial Data Guides for reference?

Y ☐ N ☐

28. Does the system utilize the Secretary of State's record retention schedule?

Y ☐ N ☐

29. Did the system accept the local COLA provisions?

Y ☐ N ☐

29.I What were the percent increases that were approved during the audit period? \_\_\_\_\_ %

30. Does the system verify records with the Child Support Unit of the Department of Revenue, prior to issuing refunds and retirement allowances?

Y ☐ N ☐

31. Does the system make the required annual reports about active and inactive accounts to DOR?

Y ☐ N ☐

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## Board Duties

1. Has the Retirement Board met at least once in each month to transact such business that properly comes before it? Y ☐ N ☐
2. Are the Board Minutes of each meeting typed prior to the subsequent meeting? Y ☐ N ☐
  - 2.1 Are the pages in the Board Minutes book numbered? Y ☐ N ☐
  - 2.2 Are pages intentionally left blank, marked "void"? Y ☐ N ☐
  - 2.3 Are the pages in the Board Minutes book properly bound? Y ☐ N ☐
3. Are changes of staff and staff salaries noted in the Board Minutes? Y ☐ N ☐
4. Are investment decisions made by both the Board and its consultants noted in the Board Minutes? Y ☐ N ☐
5. Do Retirement Board Members review a copy of the trial balance of the accounts of the retirement system's General Ledger and reconciliations of cash accounts at the monthly Board meeting? Y ☐ N ☐
6. Does each Retirement Board Member see all mail that is essential to the Member's fiduciary responsibility as a trustee of the retirement system? Y ☐ N ☐
  - 6.1 Who is responsible for making this mail distribution decision?  
Name: \_\_\_\_\_
  - 6.2 Does the retirement system date stamp all incoming mail? Y ☐ N ☐
7. Are Board Members and appropriate employees bonded for at least ten percent of the retirement system assets or \$500,000? Y ☐ N ☐
  - 7.1 What is the amount of the bond? \_\_\_\_\_
  - 7.2 What percentage of the assets does the bonding level represent? \_\_\_\_\_ %
8. Does any Retirement Board Member or employee transact any personal business with any firm, institution, or individual that has a financial relationship with the retirement system? Y ☐ N ☐
  - 8.1 Does the Retirement Board Member or employee disclose such conflicts in accordance with regulation 840 CMR 17.00? Y ☐ N ☐



9. Does the retirement system review its records of executive sessions to determine whether such records must remain confidential? Y ☐ N ☐
- 9.1 Has the Board noted termination of such status, when appropriate, in the retirement system's Board Minutes? Y ☐ N ☐
10. Are all of the Board's vouchers signed by the two persons whose specimen signatures are on file with the treasurer-custodian? Y ☐ N ☐
- 10.1 Is any voucher drawn without authorization by Board vote? Y ☐ N ☐
11. Has the Board acted in a timely manner to fill vacancies created by the resignation of an Appointed or Ex-officio Member? Y ☐ N ☐
12. Has the Board held elections in an appropriate and timely fashion? Y ☐ N ☐
- 12.1 Has the Board urged prompt action where the governmental entity of a city or town must appoint the fifth member when the Board cannot reach agreement on the appointee within the specified time frame? Y ☐ N ☐
13. Have the retirement system elections been in compliance with PERAC regulations 840 CMR, 7.01 through 7.11? Y ☐ N ☐
14. Are any of the Board Members receiving compensation for service to the Board in any capacity other than as a Board Member? Y ☐ N ☐
15. Do Board Members exercise their proxy rights? Y ☐ N ☐
16. Is the Board following opinions issued by PERAC? (Correspondence should be reviewed and deviations should be identified and explained.) Y ☐ N ☐
17. Does the Board have legal counsel on staff? Y ☐ N ☐
- 17.1 If not, on whom does the Board rely for legal advice?  
Specify \_\_\_\_\_
18. Has the Board retained the services of an actuarial consultant? (Attach a copy of any actuarial valuations or reports as an appendix to the Audit Report). Y ☐ N ☐
19. Have retirement system Members or system employees completed the Annual Statement of Financial Condition for the retirement system? Y ☐ N ☐
- 19.1 Does an outside accountant prepare the Annual Statement? Y ☐ N ☐

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## Contracts

List the names of all vendors:

- Actuarial Consultant \_\_\_\_\_
- CPA \_\_\_\_\_
- Investment Consultant \_\_\_\_\_
- Investment Manager \_\_\_\_\_
- Custodian \_\_\_\_\_
- Computer Hardware \_\_\_\_\_
- Computer Software \_\_\_\_\_
- Other \_\_\_\_\_

1. Was a competitive bid process utilized to select above vendors? Y ☐ N ☐
2. How were vendors notified of their selection?  
Specify \_\_\_\_\_
3. Was criteria established for selection? Y ☐ N ☐
4. Are all executed (signed) contracts on file? Y ☐ N ☐
5. Have all other documents including submissions by losing vendors been maintained on file? Y ☐ N ☐
6. Do the Board Minutes reflect the selection of the vendor? Y ☐ N ☐

THE FOLLOWING INFORMATION IS REQUIRED FOR  
INVESTMENT MANAGERS:

7. Was the contract executed prior to the investment of the funds? Y ☐ N ☐
8. Do the terms and conditions state the following?
  - 8.1 Investment Objectives Y ☐ N ☐
  - 8.2 Brokerage Practices Y ☐ N ☐

- |                                                       |                            |                            |
|-------------------------------------------------------|----------------------------|----------------------------|
| 8.3 Terms of Employment                               | Y <input type="checkbox"/> | N <input type="checkbox"/> |
| 8.4 Fees (a copy of the fee schedule must be on file) | Y <input type="checkbox"/> | N <input type="checkbox"/> |
| 8.5 Termination Provisions                            | Y <input type="checkbox"/> | N <input type="checkbox"/> |
9. Does the contract provide that the qualified investment manager is a fiduciary with respect to funds invested by the Board pursuant to that manager's advice, or to the funds managed by that individual?
- Y ☐ N ☐
10. Does the contract require indemnification of the manager by the retirement system? (The answer should be no.)
- Y ☐ N ☐
11. Is there a copy of a current ADV part II on file?
- Y ☐ N ☐
12. Does the Board receive the quarterly reports from the investment manager?
- Y ☐ N ☐
- 12.1 Does the consultant receive the report first?
- Y ☐ N ☐
13. Is there a completed disclosure form regarding third party payments?

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## Information Technology

1. Who is the system's software vendor?  
Name: \_\_\_\_\_
2. Has the Board notified PERAC upon automating any of its functions? Y ☐ N ☐
3. Indicate which areas are automated?
  - 3.1 Accounting Y ☐ N ☐
  - 3.2 Investments Y ☐ N ☐
  - 3.3 Payroll Y ☐ N ☐
  - 3.4 Membership Y ☐ N ☐
  - 3.5 Other: \_\_\_\_\_
4. In instances where an outside vendor is not used, is the retirement system using its own computer system or does it access a system maintained by another governmental entity?  
Specify \_\_\_\_\_
  - 4.1 What software packages does the Board use?  
Specify \_\_\_\_\_
  - 4.2 Does the Board have comprehensive and up-to-date written documentation about their customized software (TACS, RCG, Data National or programs that were developed in-house)? Y ☐ N ☐
  - 4.3 How often do personnel back up the system?  
Specify \_\_\_\_\_
  - 4.4 Is it a total back up? Y ☐ N ☐
  - 4.5 How long are back up tapes retained?  
Specify \_\_\_\_\_
  - 4.6. Are tapes labeled and recycled in accordance with a written schedule? Y ☐ N ☐
5. Do the staff members who utilize the computer system appear to have a thorough understanding of its operation? Y ☐ N ☐

6. Does the staff require additional training and/or education in the use of these applications? Y ☐ N ☐
7. Does the software vendor provide remote location trainers to visit the system so that the staff is working with their own hardware and databases? Y ☐ N ☐
8. What is the cost of such support/training? \$ \_\_\_\_\_
9. Is vendor support staff easily accessible to the retirement system staff? Y ☐ N ☐
10. Are service calls answered within a reasonable amount of time? Y ☐ N ☐
11. Is the hardware that is being used sufficient to operate the software efficiently? Y ☐ N ☐
12. Is retirement system staff satisfied with levels of support provided by the vendor? Y ☐ N ☐
13. Does the system have access to the Internet? Y ☐ N ☐
14. Is access to the retirement system's computers and databases limited to retirement system's staff members? Y ☐ N ☐
15. Are separate passwords used by each retirement system staff member? Y ☐ N ☐
16. Does the retirement board maintain a list of authorized users of the retirement system's computers and databases (do not keep lists of passwords)? Y ☐ N ☐
17. Are passwords changed periodically? Y ☐ N ☐
18. Whenever an employee leaves a position with the retirement system, are all passwords changed? Y ☐ N ☐
19. Are all retirement system databases controlled by the retirement system? Y ☐ N ☐

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## Fiscal

1. Does the retirement system maintain a Journal, a General Ledger, and Cash Book according to PERAC's prescribed methods and procedures? Y ☐ N ☐
  - 1.1 Does the retirement system utilize a software package to maintain this information? Y ☐ N ☐
  - 1.2 Is the retirement system maintaining the same information manually? Y ☐ N ☐
2. Does the retirement system maintain a file of invoices and vouchers that correspond with cashbook entries? Y ☐ N ☐
3. Is there adequate documentation to support all journal entries? Y ☐ N ☐
4. Are all transactions properly recorded, correctly classified, and summarized in the General Ledger? Y ☐ N ☐
5. Are transactions posted to the General Ledger on a timely basis? Y ☐ N ☐
6. If the retirement system is utilizing a custodian bank, is the retirement system entering transactions in the cashbook on a monthly basis? Y ☐ N ☐
7. Does the retirement system reconcile subsidiary accounts, on a monthly basis, with the General Ledger control accounts? Y ☐ N ☐
8. Are the trial balances prepared monthly? Y ☐ N ☐
9. Is the retirement system submitting copies of the Cash Book, Journal, bank statements, and confirmations to PERAC on a monthly basis? Y ☐ N ☐
10. Are the appropriate closing entries made at year-end? Y ☐ N ☐
11. Was the retirement system's last Annual Statement of Financial Condition filed prior to May first? Y ☐ N ☐
12. Does the retirement system maintain manual investment control cards or does it utilize reports provided by the custodian to document the purchases and sales of all investments?  
Specify \_\_\_\_\_
13. Does the retirement system match investment confirmations on a monthly basis to the custodial report? Y ☐ N ☐

14. Does the retirement system notify the custodian in writing of any discrepancies found when matching the confirms with the custodial report? Y ☐ N ☐
15. Does the retirement system utilize the summary provided by the custodian when entering the investment accounting entries? Y ☐ N ☐
16. Does the retirement system utilize accounting software purchased by the retirement system? Y ☐ N ☐

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## Transfers

1. Is Investment Income closed to the Annuity Savings Fund, the Annuity Reserve Fund, Expense Fund, and the Special Military Service Credit Fund with the balance transferred to the Pension Reserve Fund? Y ☐ N ☐
2. Are realized and unrealized gains and losses on investments closed to Investment Income? Y ☐ N ☐
3. Have all the accounts of members who have retired during the last calendar year been transferred from the Annuity Savings Fund to the Annuity Reserve Fund? Y ☐ N ☐
4. Are funds transferred from the Military Service Credit account to the Annuity Reserve account upon a veteran/member's retirement? Y ☐ N ☐
5. Have accumulated deductions that have remained unclaimed for at least 10 years by terminated members or eligible beneficiaries been transferred to the Pension Reserve Fund? Y ☐ N ☐
6. Have all appropriations from the governmental units for the Pension Fund been certified by PERAC? Y ☐ N ☐
7. Have all appropriations been paid in accordance with dates set in the funding schedule most recently established by PERAC? Y ☐ N ☐
8. Has the retirement system sought PERAC's approval prior to making any transfer between the Pension Fund and any other fund (other than for transfers required by statute)? Y ☐ N ☐
9. Has the governmental unit voted to approve increases under G.L. c.32, s. 90A, s. 90C, or s. 90D? Has the governmental unit voted each year that an increase was given? (Attach copies of these votes.) Y ☐ N ☐



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## Cash

1. Are all petty cash expenditures properly authorized and recorded in the General Ledger? Y ☐ N ☐
2. Is the retirement system maintaining effective control of paid cash vouchers, documenting account distribution, date of reimbursement, check number, and the signature of the person approving reimbursement? Y ☐ N ☐
3. Is one individual designated as the custodian of the Petty Cash Fund? Y ☐ N ☐
  - 3.1 Is access limited to that individual? Y ☐ N ☐
  - 3.2 Specify the individual's name: \_\_\_\_\_
4. Have all bank accounts been reconciled by someone other than the employees who receive or disburse cash? Y ☐ N ☐
  - 4.1 Specify the individual's name and title: \_\_\_\_\_
5. Does the retirement system treasurer or accountant reconcile cash balances monthly? Y ☐ N ☐
6. Are bank statements delivered unopened, along with cancelled checks, to the reconciler? Y ☐ N ☐
7. Are cancelled checks examined for suspicious or irregular features? Y ☐ N ☐
8. Are checks outstanding for longer than six months investigated? Y ☐ N ☐
  - 8.1 Are stop payments issued and are funds returned to the Ledger account from which they were paid? Y ☐ N ☐
9. Are all check numbers in sequence and if not, is there a valid reason? Y ☐ N ☐
10. Are reconciliations provided to the Board at its next monthly meeting? Y ☐ N ☐
11. Are reconciliations reviewed by an accounting officer or other responsible officer? Y ☐ N ☐
12. Are beginning and ending check numbers logged and monitored? Y ☐ N ☐
13. Can the retirement system account for all voided checks? Y ☐ N ☐
14. Are all checks pre-numbered? Y ☐ N ☐
15. Are unused checks adequately controlled and safeguarded? Y ☐ N ☐

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## Receipts

1. Does the retirement system properly deposit all checks that are received? Y ☐ N ☐
2. Do the governmental units remit members' contributions by the tenth of each month? Y ☐ N ☐
3. Does the retirement system maintain manual membership control cards that duplicate those maintained electronically? Y ☐ N ☐
4. Are transfers of member accounts from other retirement systems properly recorded on the membership control cards? Y ☐ N ☐
5. Has the retirement system received reimbursement from other retirement systems for prorated pensions as required by G.L. c.32, s.3 (8)(c)? Y ☐ N ☐
6. Has the State retirement system reimbursed the retirement system for post July 1981 and pre July 1997 cost-of-living adjustments and statutorily mandated benefit increases? Y ☐ N ☐

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## Disbursements

1. Are payments (including member withdrawal, member transfer to another system, member deceased to beneficiary, and retiree deceased-Option B payment to beneficiary) calculated properly and in a timely fashion? Y ☐ N ☐
2. Are all refund warrants signed and approved by the Retirement Board Members? Y ☐ N ☐
3. Do the amounts shown on the retirement system's monthly retirement warrant agree with retirement allowance confirmation figures issued by PERAC? Y ☐ N ☐
4. Are warrants signed and approved by all Retirement Board Members present at the meeting? Y ☐ N ☐
5. Are all administrative expenses approved and authorized by the Retirement Board Members? Y ☐ N ☐
- 5.1 Is this approval reflected in the Board Minutes of the retirement system meetings? Y ☐ N ☐
6. Are proper receipts on file for all administrative expenses? Y ☐ N ☐
7. Have the Retirement Board Members approved the expense budget? Y ☐ N ☐
- 7.1 Has the expense budget been filed with the appropriate legislative authority? Y ☐ N ☐
8. In instances where the budget was not sufficient, did the Board vote a supplementary budget sixty days prior to incurring such expenses and did the Board notify the appropriate legislative authority? Y ☐ N ☐
9. Are Retirement Board Member expenses reimbursed within the limits stipulated in G.L. c. 32, s. 20(4) (d)? (Not less than \$200 nor more than \$1500 for the active administration of the retirement system by the Ex-Officio Member, or up to \$3000 in municipalities that accept G.L. c. 32, s. 20(4)(d))? Y ☐ N ☐
10. Has the retirement system reimbursed other retirement systems for prorated pensions as required by G.L. c.32, s. 3(8)(c) or s. 7(4) or (5)? Y ☐ N ☐

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## Investments

1. List the professional investment money managers retained by the Board.

1.1 \_\_\_\_\_

1.2 \_\_\_\_\_

1.3 \_\_\_\_\_

1.4 \_\_\_\_\_

2. State the name of the investment consultant retained by the Board.

2.1 \_\_\_\_\_

3. Have all managers and consultants received an exemption? Y ☐ N ☐

3.1 Does the system have a copy of PERAC's letter of acknowledgement in regards to the above exemptions? Y ☐ N ☐

4. Does the system have a custodian bank? Y ☐ N ☐

4.1 If so, which institution is being used?  
Specify \_\_\_\_\_

4.2 Is it a master custodian? Y ☐ N ☐

4.3 If not, what assets are not under this custodial arrangement?  
Specify \_\_\_\_\_

4.4 Are securities being held by an institution other than those authorized by statute? Y ☐ N ☐

4.5 Are funds on deposit at any such institution? Y ☐ N ☐

5. Are the monthly reports from the system's investment manager and/or custodian available? Y ☐ N ☐

6. Do these monthly reports provide enough information so that the system is able to easily perform the required accounting functions? At a minimum, there must be a transaction statement for the month plus an end-of-month holdings statement. Y ☐ N ☐

- 6.1 Please comment on areas of deficiency.  
Specify \_\_\_\_\_
- 6.2. Can the reports be used in conjunction with PERAC's Accounting Manual? Y ☐ N ☐
7. Does the system receive detailed statements on an annual basis that indicate the underlying holdings, portfolio-turnover, rate of return, and fees both gross and net, for all pooled funds? Y ☐ N ☐
8. Does the system own any pooled funds? Y ☐ N ☐
- 8.1 Has the system been granted a waiver for these funds? Y ☐ N ☐
- 8.2 Does the system receive detailed statements indicating income, appreciation, fees, and end of period holdings, on at least a quarterly basis? Y ☐ N ☐
- 8.3 Does the system utilize PERAC's Pooled Fund Worksheet? Y ☐ N ☐
9. Do Retirement Board Members meet with the system's investment manager or representatives from the custodian bank, on at least a semi-annual basis, to review activity? Y ☐ N ☐
10. Does the system adjust to market value any equities held by the system on December 31st? Y ☐ N ☐
- 10.1 Does the system also adjust Ledger assets at this time? Y ☐ N ☐
11. Does the system properly calculate and report interest that has accrued as of December 31st? Y ☐ N ☐
12. Does the Board conduct an annual review of its investment objectives as required by 840 CMR 18.03? Y ☐ N ☐
- 12.1 Does the Board submit a copy of its established objectives to PERAC on an annual basis? Y ☐ N ☐
13. Has the Board submitted a completed disclosure statement for each of the managers and consultants doing business with the Board? Y ☐ N ☐
14. Does the Board periodically review the investments of the portfolio for compliance with regulations and G.L., c.32? Y ☐ N ☐

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## Membership

1. Have all new members completed an enrollment form and chosen their II 2(b) beneficiary of record and received an explanation of Option D? Y ☐ N ☐
  - 1.1 Are these forms being retained by the system? Y ☐ N ☐
  - 1.2 Is the system using PERAC approved enrollment forms? Y ☐ N ☐
2. Does the system seek to have each member file a Statement of Prior Service within one year of joining the system? Y ☐ N ☐
3. If a member has prior service with another retirement system, is this service verified? Y ☐ N ☐
  - 3.1 Is a request made to transfer the member's Annuity Savings Account within 90 days of the commencement of new service? Y ☐ N ☐
4. Are members, who return to governmental service after receiving a refund, having deductions taken at the current rate? (This should be verified by an examination of member records.) Y ☐ N ☐
5. What types of reports are generated by the payroll agency to the system?  
Specify \_\_\_\_\_
  - 5.1 Does the report list all payroll employees? Y ☐ N ☐
  - 5.2 Are the deduction rates as well as the additional 2% listed on the report? Y ☐ N ☐
  - 5.3 Is there an exception code for those employees without retirement withholding? Y ☐ N ☐
  - 5.4 Is salary for non-regular compensation separated from regular compensation so that withholdings are made only from regular compensation? Y ☐ N ☐
  - 5.5 Is the retirement system staff fully aware of the regulations concerning the appropriate percentage to be withheld from new employees? Y ☐ N ☐
  - 5.6 Does the retirement system staff verify with the payroll clerk, that deduction rates are correct? Y ☐ N ☐
6. Is there a procedure for payroll clerks to verify with the retirement system whether or not new employees should be members and what their percentage rate should be? Y ☐ N ☐

7. Does the system's working definition of regular compensation agree with the definition delineated in PERAC's regulations and G.L., c. 32? Y ☐ N ☐
8. Has the Board established regulations governing eligibility for membership and creditable service to be granted for various categories of part-time employees? Y ☐ N ☐
- 8.1 Are these regulations applied consistently? Y ☐ N ☐
9. In instances where no supplemental regulation has been approved, is the Board crediting for seasonal employees, the equivalent of one year of service, actual full time service of not less than seven months of service in any calendar year? Y ☐ N ☐
10. Is service as a permanent intermittent or call fire fighter credited only if the individual is later appointed as a permanent member of the fire department? Y ☐ N ☐
- 10.1 Does the Board credit as full-time service, not exceeding five years, that period of time during which a reserve or permanent intermittent police officer or reserve, permanent intermittent or call firefighter was on a respective list and was eligible for assignment subsequent to appointment? Y ☐ N ☐
11. Is creditable service given to members who are on leave of absence in accordance with G.L., c. 32, s. 4(1)(c)? Y ☐ N ☐
12. Are beneficiary-of-record files maintained and updated in an appropriate manner? Y ☐ N ☐
13. Has the system kept a record of the date of birth of each member of the system? Y ☐ N ☐
- 13.1 Does the system notify each member subject to mandatory retirement, the head of his/her department, and the treasurer of the date that a member will attain the maximum age for his group? Y ☐ N ☐
- 13.2 Is that notice made in writing, not less than 30 days nor more than four months prior to the maximum age birthday? Y ☐ N ☐
14. Does the system maintain individual member accounts manually or via computer? Manual ☐ PC ☐
- 14.1 If the system has ceased the use of manual methods, has the automated membership record keeping system been approved by PERAC? Y ☐ N ☐
15. Has the system, on or before July 1, furnished to each member a statement for the previous calendar year relative to the status of his/her account? What was the date of issue of the last statement? Date: \_\_\_\_\_ Y ☐ N ☐

16. Does the system attempt to send inactive members a copy of their Annual Statement? Y ☐ N ☐
17. Does the system provide timely notification to inactive members who have resigned that interest will cease to accrue two years after the date that their resignation becomes effective? Y ☐ N ☐
18. Does the system transfer to the Pension Reserve Fund, all accounts that have been inactive for at least ten years on each December 31? Y ☐ N ☐
19. Does the system, after taking into consideration such factors as employment, start date, and amount of potential allowance, monitor refunds to ensure that no member who has attained age 55 and is eligible for a retirement allowance is allowed to receive a refund? Y ☐ N ☐
20. Do eligible members receive their refunds within 60 days after filing a written request with the Board? Y ☐ N ☐
21. Are members who apply for refunds given the required information regarding the IRS notification per PERAC Memo 31-1992? Y ☐ N ☐
22. Does the system calculate interest on refunds in accordance with the provisions of G.L. c.32, s. 11(1)? Y ☐ N ☐
23. Has the system notified members who are not required to retire, of the retirement allowance Option A, B, and C estimates and procedures for continuing in service after age 70? Y ☐ N ☐
- 23.1 Has such notice been given not more than 180 days nor less than 120 days before the last day of the month in which the member-in-service attains age 70? Y ☐ N ☐
24. Are members notified (PERAC form 11-1c) of their right to elect to continue to have deductions taken from their regular compensation and to continue to accrue creditable service after age 70? Y ☐ N ☐
- 24.1 Does the system retain these written responses? Y ☐ N ☐
25. What type of retirement counseling does the system offer members? Y ☐ N ☐
- 25.1 Is the system distributing any written information?  
Specify \_\_\_\_\_
- 25.2 Are the PERAC Retirement Guides distributed or available for review? Y ☐ N ☐
26. Does the system disseminate PERAC's WEB site address for members to obtain updated information? Y ☐ N ☐



27. Is the information that is distributed current with the information on PERAC's WEB site? Y ☐ N ☐
28. Does the system explain the retirement process and assist members in completing retirement applications? Y ☐ N ☐
29. Does the system give members a full explanation of Option choices? Y ☐ N ☐
30. Does the system provide members with estimated benefits prior to their signing the Option Selection Form? Y ☐ N ☐
31. Does the system verify spousal acknowledgement of notification on the Option Selection Form? Y ☐ N ☐
32. Does the system allow prospective retirees sufficient time in which to elect an option? Y ☐ N ☐
- 32.1 Is that option selection finalized on or before the date that a member's allowance becomes effective? Y ☐ N ☐
33. If a retirement application is filed after the stated date of retirement, does the date upon which the retirement is to become effective fall within 60 days of the date of resignation, only if under G.L., c.32, s. 10? Y ☐ N ☐
34. Are the members or beneficiaries who are receiving pensions, retirement allowances, or survivor's allowances annually filing with the Board affidavits attesting to their name, the address of their currently residence and the marital status and/or dependency status where relevant? Y ☐ N ☐
- 34.1 Does the system withhold retirement benefits from any member or beneficiary who fails to file an affidavit? Y ☐ N ☐
- 34.2 Does the system annually audit a random sample of at least five percent of the affidavits received? Y ☐ N ☐
35. Are all the recalculations of survivor benefits being done accurately by the retirement system? Y ☐ N ☐
36. Are the recalculations of Option C survivor benefits to reflect the cost of living adjustments, being done accurately by the retirement system? Y ☐ N ☐
37. Is the Board able to run reports against the retiree and membership database to ensure accuracy in their actuarial information? (For example, enabling the Board to ensure that all members are paying the proper contribution rate.) Y ☐ N ☐

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## Disability Procedures

1. Does the system provide PERAC with names and addresses of all disability retirees on an annual basis? Y ☐ N ☐
2. Does the system comply with PERAC notifications to suspend or adjust disability pensions? Y ☐ N ☐
3. Does the system retain injury reports filed by members and department heads? Y ☐ N ☐
4. Does the system request that PERAC set up a medical panel in a timely fashion upon receipt of a completed Disability Retirement Application? If the request is as a result of a CRAB or a DALA decision, is this decision included with the medical panel request? Y ☐ N ☐
5. If a medical panel fails to report its findings and recommendations to the Board within 60 days of the examination, does the retirement system notify PERAC? Y ☐ N ☐
6. Does the retirement system notify all interested parties of the medical panel's findings within 30 days of receipt of the medical panel report? In the case of three separate exams, is notification made following receipt of the third exam report? Y ☐ N ☐
7. When a restoration-to-service medical panel finds a disability retiree able to perform the essential duties of his/her job, does the retirement system notify the employer and the state Human Resources Division? Y ☐ N ☐
8. Does the Board comply with applicable regulations regarding the conduct of hearings? Y ☐ N ☐
9. Does the system hold hearings in accordance with the statute regarding those retirees whose pensions have been suspended? Y ☐ N ☐
10. Has the notice of a member's right to appeal been made to all interested parties within three days of the denial, restoration, or modification of a disability retirement allowance? Y ☐ N ☐
11. Does the system request a review of death records by a PERAC appointed physician, if cause of death needs to be established in an accidental death claim? Y ☐ N ☐
12. Are all cases for Accidental Death submitted to PERAC's Calculation Unit for approval? Y ☐ N ☐

13. Does the retirement system send copies of its denials of Disability Retirement Applications to PERAC? Y ☐ N ☐
14. Does the system advise and assist members regarding the procedures for filing an appeal? Y ☐ N ☐
15. Does the system allow concurrent Applications for accidental, ordinary, and superannuation retirements? Y ☐ N ☐
16. Does the system advise eligible members whose appeals are pending of their right to apply for and receive superannuation benefits during the period of the appeal? Y ☐ N ☐
17. Does the system make certain that each Application is complete prior to transmitting it to PERAC for final approval? Y ☐ N ☐
18. Does the system request an extension of the 180-day Application deadline if such an extension is needed? Y ☐ N ☐
19. What action has the Board taken on Applications that have been remanded by PERAC?  
Specify \_\_\_\_\_
20. Upon receipt of PERAC's approval of a disability retirement allowance, does the system promptly notify the member's employer to halt c.41, s. 111F or other payroll benefits so that the disability allowance payments can commence? Y ☐ N ☐
21. Has the retirement system, upon notification from PERAC, discontinued the allowances of those disability retirees who refuse to participate in Comprehensive Medical Evaluation, or Restoration to Service Examination or rehabilitation? Y ☐ N ☐
22. Are subsequent checks for disability retirement allowances withheld upon notification from PERAC? Y ☐ N ☐
23. When a disability retiree is restored to active service, does the system transfer from the Annuity Reserve Fund to the Annuity Savings Fund, an amount equal to the member's individual account in the Annuity Reserve Fund on the date of his/her restoration? Y ☐ N ☐
24. After notification from PERAC that the disability retiree has earnings in excess of G.L. c. 32, s. 91A, does the retirement system provide for a hearing prior to termination of benefits? Y ☐ N ☐
25. For those disability retirees whose earnings are in excess of the allowable

amount, does the system terminate the retirement allowance and advise PERAC of such termination?

Y ☐ N ☐

26. Does the system staff have a procedure to monitor both the weekly and lump sum Workers' Compensation benefits to insure that retirement allowances are offset in accordance with G.L., c. 32, s. 14?

Y ☐ N ☐

27. Does the system have a process by which all member units notify the Board when a member has been charged with misappropriation of funds of any governmental unit in which the member is or was employed at the time of his retirement or termination of service, as provided by G.L., c.32, s.15?

Y ☐ N ☐

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## Notes

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## Notes

PERAC

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